

A DECLARATORY RESOLUTION designating an "Economic Revitalization Area" under I.C. 6-1.1-12.1 for property commonly known as 2400 Taylor Street, Fort Wayne, Indiana 46802 (Slater Steels Corporation)

WHEREAS, Petitioner has duly filed its petition dated May 15, 1996 to have the following described property designated and declared an "Economic Revitalization Area" under Section 153.02 of the Municipal Code of the City of Fort Wayne, Indiana, of 1993, as amended, and I.C. 6-1.1-12.1, to wit:

Attached hereto as "Exhibit A" as if a part herein;
and

WHEREAS, said project will retain 665 full-time permanent jobs for a total current annual payroll of \$37,992,501, with the average new annual job salary being \$57,132; and

WHEREAS, the total estimated project cost is \$65,000,000; and

WHEREAS, it appears the said petition should be processed to final determination in accordance with the provisions of said Division 6.

NOW, THEREFORE, BE IT RESOLVED BY THE COMMON COUNCIL OF THE CITY OF FORT WAYNE, INDIANA:

SECTION 1. That, subject to the requirements of Section 6, below, the property hereinabove described is hereby designated and declared an "Economic Revitalization Area" under I.C. 6-1.1-12.1. Said designation shall begin upon the effective date of the

1 Confirming Resolution referred to in Section 6 of this Resolution
2 and shall continue for five years thereafter. Said designation
3 shall terminate at the end of that five year period.

4 **SECTION 2.** That, upon adoption of the Resolution:

5 (a) Said Resolution shall be filed with the Allen County
6 Assessor;

7 (b) Said Resolution shall be referred to the Committee on
8 Finance and shall also be referred to the Department of
9 Economic Development requesting a recommendation from
10 said department concerning the advisability of
11 designating the above area an "Economic Revitalization
12 Area";

13 (c) Common Council shall publish notice in accordance with
14 I.C. 6-1.1-12.1-2.5 and I.C. 5-3-1 of the adoption and
15 substance of this resolution and setting this designation
16 as an "Economic Revitalization Area" for public hearing;

17 (d) If this Resolution involves an area that has already been
18 designated an allocation area under I.C. 36-7-14-39, then
19 the Resolution shall be referred to the Fort Wayne
20 Redevelopment Commission and said designation as an
21 "Economic Revitalization Area" shall not be finally
22 approved unless said Commission adopts a Resolution
23 approving the petition.

24 **SECTION 3.** That, said designation of the hereinabove
25 described property as an "Economic Revitalization Area" shall apply
26 to both a deduction of the assessed value of real estate and
27 personal property for new manufacturing equipment.
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1 **SECTION 4.** That, the estimate of the number of individuals
2 that will be employed or whose employment will be retained and the
3 estimate of the annual salaries of those individuals and the
4 estimate of the value of redevelopment or rehabilitation and the
5 estimate of the value of new manufacturing equipment, all contained
6 in Petitioner's Statement of Benefits, are reasonable and are
7 benefits that can be reasonably expected to result from the
8 proposed described redevelopment or rehabilitation and from the
9 installation of new manufacturing equipment.

10 **SECTION 5.** That, the current year approximate tax rates for
11 taxing units within the City would be:

12 (a) If the proposed development does not occur, the
13 approximate current year tax rates for this site would be
14 \$9.2773/\$100.

15 (b) If the proposed development does occur and no deduction
16 is granted, the approximate current year tax rate for the
17 site would be \$9.2773/\$100 (the change would be
18 negligible).

19 (c) If the proposed development occurs and a deduction
20 percentage of fifty percent (50%) is assumed, the
21 approximate current year tax rate for the site would be
22 \$9.2773/\$100 (the change would be negligible).

23 (d) If the proposed new manufacturing equipment is not
24 installed, the approximate current year tax rates for
25 this site would be \$9.2773/\$100.

26 (e) If the proposed new manufacturing equipment is installed
27 and no deduction is granted, the approximate current year
28
29

1 tax rate for the site would be \$9.2773/\$100 (the change
2 would be negligible).

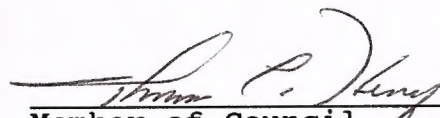
3 (f) If the proposed new manufacturing equipment is installed
4 and a deduction percentage of eighty percent (80%) is
5 assumed, the approximate current year tax rate for the
6 site would be \$9.2773/\$100 (the change would be
negligible).

7 **SECTION 6.** That, this Resolution shall be subject to being
8 confirmed, modified and confirmed, or rescinded after public
9 hearing and receipt by Common Council of the above described
10 recommendations and resolution, if applicable.

11 **SECTION 7.** That, pursuant to I.C. 6-1.1-12.1, it is hereby
12 determined that the deduction from the assessed value of the real
13 property shall be for a period of ten years, and the deduction from
14 the assessed value of the new manufacturing equipment shall be for
15 a period of five years.

16 **SECTION 8.** That, the benefits described in the Petitioner's
17 Statement of Benefits can be reasonably expected to result from the
18 project and are sufficient to justify the applicable deductions.

19 **SECTION 9.** That, this Resolution shall be in full force and
20 effect from and after its passage and any and all necessary
21 approval by the Mayor.

22 
23 Member of Council

24 APPROVED AS TO FORM AND LEGALITY

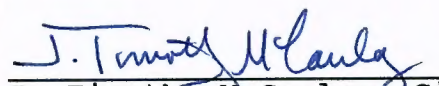
25 
26 J. Timothy McCaulay, City Attorney
27
28
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EXHIBIT A

LEGAL DESCRIPTION OF THE PROJECT SITE

PART OF COMMERCIAL ADDITION to the City of Fort Wayne, Allen County, Indiana, as in Plat Book 3, pages 17-18, in the Office of the Recorder of said County recorded, lying North of the North line of Taylor Street; East of the centerline of the Junk Ditch; Southward of the right-of-way of the Pennsylvania Railroad, and Westward of the former Lake Erie and Fort Wayne Railroad, now the Norfolk & Western Railroad;

ALTOGETHER by parametric dimensions described as follows to-wit:

Commence on the North line of Taylor Street as situated 30 feet normally distant North of said street centerline, at its intersection by the Northwesterly right-of-way line of the Norfolk & Western Railroad, said right-of-way line being situated 49.5 feet normally distant Northwestward of said Railroad single track centerline and 176.95 feet East of the East line of McKinley Avenue as in said Addition recorded; thence, South 89 degrees 58 minutes West along the North line of Taylor Street, a distance of 950.2 feet to an iron pin set on the right bank of the Junk Ditch situated 338.5 feet West of the centerline of Berghoff Street as in said Addition recorded; thence following the meanderings of said ditch right bank in the following (12) courses; (1) North 18 degrees 34 minutes East, a distance of 179.5 feet; (2) North 5 degrees 17 minutes East, a distance of 91.8 feet; (3) North 7 degrees 53 minutes West, a distance of 93.2 feet; (4) North 24 degrees 18 minutes West, a distance 168.6 feet; (5) North 31 degrees 24 minutes West, a distance of 335.1 feet; (6) North 22 degrees 37 minutes West, a distance of 149.5 feet; (7) North 1 degree 24 minutes West, a distance 194.6 feet; (8) North 1 degree 05 minutes East, a distance of 217.3 feet to the centerline of Johnson Street as in said Addition recorded; (9) North 16 degrees 04 minutes East, a distance of 229.2 feet; (10) North 25 degrees 36 minutes East, a distance of 181.5 feet; (11) North 36 degrees 54 minutes East, a distance of 231.1 feet; (12) North 44 degrees 38 minutes East, a distance of 87.3 feet to the Southwesterly right-of-way line of the Pennsylvania Railroad, said right-of-way line being situated 66.5 feet normally distant Southwestward of the centerline of the west-bound main track and 259.8 feet North 71 degrees 14 seconds West of the centerline of Berghoff Street, as in said Addition recorded; thence, South 71 degrees 14 minutes East along said Railroad right-of-way line, a distance of 521.3 feet to the East line of Section 9, Township 30 North, Range 12 East; thence, South 0 degrees 00 minutes along said Section line, a distance of 16.9 feet to a point situated 82.5 feet normally distant Southwestward of the centerline of the west-bound main track; thence, South 71 degrees 14 minutes East along said Railroad right-of-way, being also the North lines of Lots "D" and "C" in said Addition, a distance of 933.4 feet to a point situated 49.5 feet radially distant Westward of the single track centerline of the Norfolk & Western Railroad; thence, South and Southwesterly,

introrsely concentric to the 3 degree 00 minute, more or less, circular curve, a distance of 959.2 feet to a point of tangency; thence, South 27 degrees 18 minutes West, along said tangent, a distance of 638.4 feet to the North line of Taylor Street and the place of beginning; containing 57.51 acres of land; TOGETHER with the strip of land lying between said traverse line and the centerline of the Junk Ditch; containing 1.36 acres, more or less; ALTOGETHER containing 58.87 acres of land, more or less.

TOGETHER WITH:

Part of the former Lake Erie and Fort Wayne Railroad, now the Norfolk and Western Railway Company, lying North of Taylor Street and East of Commercial Addition as recorded in Plat Book 3, page 17-18 in the Office of the Recorder, City of Fort Wayne, Allen County, Indiana, in particular described as follows to-wit:

BEGINNING on the North line of Taylor Street as situated 30 feet normally distant North of said street centerline, at its intersection with the Northwesterly right of way line of the Norfolk and Western Railway Company, said right of way line being situated 49.5 feet normally distant Northwestward of an existing single track centerline and 176.95 feet East of the East line of McKinley Avenue as in said Addition recorded; thence, North 27° 18' East (bearings are based on Document Number 81-2267) along said Railroad right of way line and parallel to said single track centerline, a distance of 681.8 feet to a point of curvature; thence continuing Northeasterly along said Railroad right of way line introrsely concentric to the 3° 00' centerline circular curve to the left, a distance of 282.01 feet, the chord bears North 22° 57' 26" East, 281.74 feet, to an existing chain link fence; thence, South 32° 51' 46" East along said chain link fence, a distance of 38.15 feet to a point situated 19.5 feet radially distant Northwestward of said track centerline; thence, Southwesterly and introrsely concentric to the 3° 00' centerline circular curve, a distance 262.79 feet to a point of tangent as situated 19.5 feet Northwesterly of said track centerline, the chord bears South 23° 19' 03" West, 262.58 feet; thence, South 27° 18' West and parallel with said single track centerline, a distance of 666.29 feet to the North line of said Taylor Street; thence, South 89° 58' West along the line aforesaid a distance of 33.77 feet to the POINT OF BEGINNING, containing 28,388 square feet, or 0.6517 of an acre of land, more or less.

EXCEPT THAT PART THEREOF DESCRIBED AS FOLLOWS:

The South 10 feet of Lots 1 to 9, consecutively and inclusive; the South 10 feet of Lots 10 to 16, consecutively and inclusive; the South 10 feet of Block "B", a part of McKinley Street (10 feet by 50 feet) lying between the aforesaid South 10 feet of Lot 1 and the South 10 feet of Block "B"; a part of Berghoff Street (10 feet by 50 feet) lying between the aforesaid South 10 feet of Lot 9 and the South 10 feet of Lot 10; and a part of the East one half of the Junk Ditch lying West of the South 10 feet of Lot 16, all in

Commercial Addition to the City of Fort Wayne, containing 0.213 Acres, more or less, which area is to be utilized in the widening of Taylor Street, in Fort Wayne, Allen County, Indiana.

and duly adopted, read the second time by title and referred to the Committee on _____ (and the City Plan Commission for recommendation) and Public Hearing to be held after due legal notice, at the Common Council Council Conference Room 128, City-County Building, Fort Wayne, Indiana, on _____, the _____ day of _____, 19____, at _____ o'clock _____ M., E.S.T.

DATED: _____

SANDRA E. KENNEDY, CITY CLERK

Read the third time in full and on motion by Henry and duly adopted, placed on its passage. ~~PASSED~~ ~~LOST~~ by the following vote:

	AYES	NAYS	ABSTAINED	ABSENT
TOTAL VOTES	7			2
BENDER	✓			
CRAWFORD	✓			
EDMONDS				✓
HALL	✓			
HAYHURST	✓			
HENRY	✓			
LUNSEY				✓
RAVINE	✓			
SCHMIDT	✓			

DATED: 5-28-96

Sandra E. Kennedy
SANDRA E. KENNEDY, CITY CLERK

Passed and adopted by the Common Council of the City of Fort Wayne, Indiana, as (ANNEXATION) (APPROPRIATION) (GENERAL)

(SPECIAL) (ZONING) ORDINANCE RESOLUTION NO. Q-31-96
on the 28th day of May, 1996

ATTEST:

Sandra E. Kennedy
SANDRA E. KENNEDY, CITY CLERK

(SEAL)
DD Schmidt
PRESIDING OFFICER

Presented by me to the Mayor of the City of Fort Wayne, Indiana, on the 29th day of May, 1996, at the hour of 11:00 o'clock 4 M., E.S.T.

Sandra E. Kennedy
SANDRA E. KENNEDY, CITY CLERK

Approved and signed by me this 30th day of May, 1996, at the hour of 10:00 o'clock 4 M., E.S.T.

Paul Heimke
PAUL HEIMKE, MAYOR

**STATEMENT OF BENEFITS**

State Form 27167 (R4 / 10-93)

Form SB - 1 is prescribed by the State Board of Tax Commissioners, 1989

EXHIBIT E

**FORM
SB - 1****INSTRUCTIONS:**

1. This statement must be submitted to the body designating the economic revitalization area prior to the public hearing if the designating body requires information from the applicant in making its decision about whether to designate an Economic Revitalization Area. Otherwise this statement must be submitted to the designating body **BEFORE** a person installs the new manufacturing equipment, or **BEFORE** the redevelopment or rehabilitation of real property for which the person wishes to claim a deduction. A statement of benefits is not required if the area was designated an ERA prior to July 1, 1987 and the "project" was planned and committed to by the applicant, and approved by the designating body, prior to that date. "Projects" planned or committed to after July 1, 1987 and areas designated after July 1, 1987 require a STATEMENT OF BENEFITS. (IC 6-1.1-12.1)
2. Approval of the designating body (City Council, Town Board, County Council, etc.) must be obtained prior to initiation of the redevelopment or rehabilitation, or prior to installation of the new manufacturing equipment, **BEFORE** a deduction may be approved.
3. To obtain a deduction, Form 322 ERA, Real Estate Improvements and / or Form 322 ERA / PP, New Machinery, must be filed with the county auditor. With respect to real property, Form 322 ERA must be filed by the later of: (1) May 10; or (2) thirty (30) days after a notice of increase in real property assessment is received from the township assessor. Form 322 ERA / PP must be filed between March 1 and May 15 of the assessment year in which new manufacturing equipment becomes assessable, unless a filing extension has been obtained. A person who obtains a filing extension must file the form between March 1 and June 14 of that year.
4. Property owners whose Statement of Benefits was approved after July 1, 1991 must submit Form CF - 1 annually to show compliance with the Statement of Benefits. (IC 6-1.1-12.1-5.6)

SECTION 1 TAXPAYER INFORMATION	
Name of taxpayer SLATER STEELS CORPORATION	MAY 15 1996
Address of taxpayer (street and number, city, state and ZIP code) 2400 Taylor Street, West Fort Wayne IN 46802	
Name of contact person Gary L. Naber	Telephone number (219) 434-2879

SECTION 2 LOCATION AND DESCRIPTION OF PROPOSED PROJECT		
Name of designating body Fort Wayne City Council	Resolution number	
Location of property 2400 Taylor Street, Fort Wayne IN	County Allen	Taxing district FW - WAYNE (JLB)
Description of real property improvements and / or new manufacturing equipment to be acquired (use additional sheets if necessary) See Attached	Estimated starting date 6/96 (JLB)	
	Estimated completion date 12/2000 (JLB)	

SECTION 3 ESTIMATE OF EMPLOYEES AND SALARIES AS RESULT OF PROPOSED PROJECT					
Current number 665	Salaries \$37,992,501	Number retained 665	Salaries 37,992,501 (JLB) \$38,000,000	Number additional - 0 -	Salaries - 0 -

SECTION 4 ESTIMATED TOTAL COST AND VALUE OF PROPOSED PROJECT				
NOTE: Pursuant to IC 6-1.1-12.1-5.1 (d) (2) the COST of the property is confidential.	Real Estate Improvements		Machinery	
	Cost	Assessed Value	Cost	Assessed Value
Current values	7,872,860	2,755,400	72,429,137	7,175,571
Plus estimated values of proposed project	8,300,000	2,766,667	56,700,000	5,670,000
Less values of any property being replaced	0	0	0	0
Net estimated values upon completion of project	16,172,860	5,522,067	129,129,137	12,845,571

SECTION 5 OTHER BENEFITS PROMISED BY THE TAXPAYER

SECTION 6 TAXPAYER CERTIFICATION		
I hereby certify that the representations in this statement are true.		
Signature of authorized representative H. Naber	Title VICE PRESIDENT, FINANCE	Date signed (month, day, year) 5-14-96

FOR USE OF THE DESIGNATING BODY

We have reviewed our prior actions relating to the designation of this economic revitalization area and find that the applicant meets the general standards adopted in the resolution previously approved by this body. Said resolution, passed under IC 6-1.1-12.1-2.5, provides for the following limitations as authorized under IC 6-1.1-12.1-2.

- A. The designated area has been limited to a period of time not to exceed 5 calendar years * (see below). The date this designation expires is 5 years.
- B. The type of deduction that is allowed in the designated area is limited to:
1. Redevelopment or rehabilitation of real estate improvements; ☒ Yes ☐ No
 2. Installation of new manufacturing equipment; ☒ Yes ☐ No
 3. Residentially distressed areas ☐ Yes ☒ No
- C. The amount of deduction applicable for new manufacturing equipment installed and first claimed eligible for deduction after July 1, 1987, is limited to \$ no limit cost with an assessed value of \$ no limit.
- D. The amount of deduction applicable to redevelopment or rehabilitation in an area designated after September 1, 1988 is limited to \$ no limit cost with an assessed value of \$ no limit.
- E. Other limitations or conditions (specify) none
- F. The deduction for new manufacturing equipment installed and first claimed eligible for deduction after July 1, 1991 is allowed for: ☒ 5 years ☐ 10 years

Also we have reviewed the information contained in the statement of benefits and find that the estimates and expectations are reasonable and have determined that the totality of benefits is sufficient to justify the deduction described above.

Approved: (signature and title of authorized member) <u>DD Schmitt</u> <u>General President</u>	Telephone number <u>(219) 427-1208</u>	Date signed (month, day, year) <u>5-28-96</u>
Attested by: <u>Richard E. Kennedy</u> <u>City Clerk</u>	Designated body <u>Common Council</u>	

* If the designating body limits the time period during which an area is an economic revitalization area, it does not limit the length of time a taxpayer is entitled to receive a deduction to a number of years designated under IC 6-1.1-12.1-4 or 4.5 Namely: (see tables below)

NEW MANUFACTURING EQUIPMENT		
For Deductions Allowed Over A Period Of:		
Year of Deduction	Five (5) Year Percentage	Ten (10) Year Percentage
1st	100%	100%
2nd	95%	95%
3rd	80%	90%
4th	65%	85%
5th	50%	80%
6th		70%
7th		55%
8th		40%
9th		30%
10th		25%

REDEVELOPMENT OR REHABILITATION OF REAL PROPERTY IMPROVEMENT			
For Deductions Allowed Over A Period Of:			
Year of Deduction	Three (3) Year Deduction	Six (6) Year Deduction	Ten (10) Year Deduction
1st	100%	100%	100%
2nd	66%	85%	95%
3rd	33%	66%	80%
4th		50%	65%
5th		34%	50%
6th		17%	40%
7th			30%
8th			20%
9th			10%
10th			5%

MAY 15 1996

FOR STAFF USE ONLY:

Declaratory Passed 19
 Confirmatory Passed 19
 PT Jobs Currently
 PT Jobs Currently
 \$ Current Average Annual Salary

DEPT. OF ECON DEVL.

FT Jobs to be Created
 PT Jobs to be Created
 \$ Avg Annual Salary of all New Jobs
 FT Jobs to be Retained
 PT Jobs to be Retained
 \$ Avg Annual Salary of all Retained Jobs

ECONOMIC REVITALIZATION AREA APPLICATION CITY OF FORT WAYNE, INDIANA

APPLICATION IS FOR:

Real estate key no. 94-2387-0001

(Check appropriate box[es] below)

☒ Real Estate Improvements Total cost of improvements: 8,300,000
☒ Personal Property (New Manufacturing Equipment) Total cost of improvements 56,700,000

TOTAL OF ABOVE IMPROVEMENTS: 65,000,000

GENERAL INFORMATION

Taxpayer's name: Slater Steels Corporation Telephone: (219) 434-2879

Address listed on tax bill: 2400 Taylor Street, Fort Wayne, Indiana 46802

Name of applicant's business: Fort Wayne Specialty Alloys Division

Name of business to be designated, if applicable: not applicable

DBA: not applicable

Address of property to be designated: 2400 Taylor Street, Fort Wayne, Indiana 46802

Contact person if other than above: Name: Gary L. Naber Telephone: (219) 434-2879

Address: 2400 Taylor Street, Fort Wayne, Indiana 46802

☒ Yes ☐ No Is the property for which you are requesting ERA designation totally within the corporate limits of the City of Fort Wayne?

☐ Yes ☒ No Do you plan to request state or local assistance to finance public improvements?

☐ Yes ☒ No Will the proposed project have any adverse environmental impact?

Describe: not applicable

Describe the product or service to be produced or offered at the project site? Slater Steels Corporation operates a stainless steel mini-mill at the project site which produces stainless steel in a wide variety of grades, sizes and shapes, including round angle, flat, hexagon and square finished bar products, as well as semi-finished products in the form of ingot and billet.

In order to be considered an Economic Revitalization Area (ERA), the area must be within the corporate limits of the City of Fort Wayne and must have become undesirable for, or impossible of, normal development and occupancy because of a lack of development, cessation of growth, deterioration of improvements or character of occupancy, age, obsolescence, substandard buildings, or other factors which have impaired values or prevent a normal development of property or use of property. It also includes any area where a facility or a group of facilities that are technologically, economically, or energy obsolete are located and where the obsolescence may lead to a decline in employment and tax revenues.

How does the property for which you are requesting designation meet the above definition of an ERA?

The project site is located entirely within the corporate limits of the city of Fort Wayne and is located within the city of Fort Wayne urban enterprise zone. The project site is not suitable for normal development due to its industrial character and the age and relative obsolescence of the improvements currently located upon the project site.

REAL ESTATE ABATEMENT

Complete this section of the application only if requesting a deduction from assessed value for real estate improvements.

Describe any structure(s) that is/are currently on the property: There are a variety of structures on the project site as shown on the attached site plan, including melting facilities, two rolling mill facilities, conditioning and finishing operations, warehouse facilities and office facilities.

Describe the condition of the structure(s) listed above: The current condition of the structures located upon the project site range from fair to good. There are several facilities which will require renovation or replacement in the near future.. Describe improvements to be made to property to be designated: New structures will be

constructed to house a new "cold draw cell" facility and a new "continuous cleaning line". Other buildings will be expanded or refurbished to accommodate additional throughput and to better service existing operations.

Projected construction start (month/year): June 1996

Projected construction completion (month/year): December 2000

Current land assessment: \$ 196,670 (1) Current improvements assessment: \$ 2,558,730 (1)

Current real estate assessment: \$ 2,755,400 (1) Current property tax bill on site to be designated: \$ 230,000.75 (2)

What is the anticipated first year tax savings attributable to this designation? \$ 172,328.00

How will you use these tax savings? The tax savings along with operational profits and borrowed funds will be used to pay for the overall modernization program discussed herein.

Modernization of the project site will protect existing employment and foster an environment within which future employment growth may be obtained.

(1) based upon assessment for 1995

(2) based upon tax rate for 1994, payable 1995

PERSONAL PROPERTY ABATEMENT

Complete this section of the application only if you are requesting a deduction from the assessed value of new manufacturing equipment.

List below the manufacturing equipment for which you are seeking an ERA designation. This equipment must be used in the direct production, manufacture, fabrication, assembly, extraction, mining, processing, refining, or finishing of other tangible personal property at the site to be designated: See attached list of manufacturing equipment

☐ Yes ☒ No Has the above equipment for which you are seeking a designation, ever before been used for any purpose 6/96 ⁽⁹⁶⁾ in Indiana? as shown on attached list 6/96 - 12/2000 ⁽⁹⁶⁾ as shown on attached list

Equipment purchase date: of manufacturing equipment Equipment installation date: of manufacturing equipment

Current personal property tax assessment: \$ 12,642,977 (1) Annual personal property tax bill: \$ 554,726.19 (2)

What is the anticipated first year tax savings attributable to this designation? \$ 672,704

How will you use these tax savings? The tax savings along with operational profits and borrowed funds will be used to pay for the overall modernization program discussed herein.

Modernization of the project site will protect existing employment and foster an environment within which future employment growth may be obtained.

- (1) based upon assessment for 1995 payable 1996
 (2) based upon tax rate for 1994 payable 1995

PUBLIC BENEFIT INFORMATION

EMPLOYMENT INFORMATION FOR FACILITY TO BE DESIGNATED

ESTIMATE OF EMPLOYEES AND SALARIES AS A RESULT OF PROPOSED FORT WAYNE FACILITY TO RECEIVE E.R.A. DESIGNATION			
	NO. OF EMPLOYEES ¹	TOTAL ANNUAL PAYROLL ²	AVERAGE ANNUAL SALARY ³
CURRENT NUMBER FULL-TIME	665	\$37,992,501	\$57,132
CURRENT NUMBER PART-TIME	0		
NUMBER RETAINED FULL-TIME	665	\$38,000,000 \$37,992,501 (98)	\$57,142 \$57,132 (98)
NUMBER RETAINED PART-TIME	0		
NUMBER ADDITIONAL FULL-TIME	0	not applicable	not applicable
NUMBER ADDITIONAL PART-TIME	0		

Check the boxes below if the jobs to be created will provide the listed benefits:

- ☒ Pension Plan
 ☒ Major Medical Plan
 ☒ Disability Insurance
☒ Tuition Reimbursement
 ☒ Life Insurance
 ☒ Dental Insurance

List any benefits not mentioned above: hospitalization; accidental death & dismemberment;
401K employer contribution

When will you reach the levels of employment shown above? (Year and month) May 1996

Types of jobs to be created as a result of this project? Although job creation is not projected, the
jobs to be protected subject to fluctuation in market conditions include production,
maintenance, clerical, technical and management positions.

¹Sum of full- and part-time must match the figures given in Section 3 of "Statement of Benefits" Form SB-1 under "Current number", "Number retained", and "Number additional".

²It is to include your total annual payroll.

³Total annual payroll divided by the total number of employees at site to be designated both full- and part-time).

REQUIRED ATTACHMENTS

The following must be attached to the application.

1. Full legal description of property. (Property tax bill legal descriptions are not sufficient.)
Should be marked as Exhibit A.
2. Check for application fee made payable to the City of Fort Wayne.

<u>Project Cost</u>	<u>Fee</u>
\$0 to 250,000	\$ 500
\$250,001 to 1,000,000	\$ 700
\$1,000,001 and over	\$1,000
3. Owner's Certificate (if applicant is not the owner of property to be designated).
Should be marked as Exhibit B if applicable.

I hereby certify that all information and representations made on this application and its attached exhibits are true and complete and that no building permit has been issued for construction of improvements, nor has any manufacturing equipment which is a part of this application been purchased and installed as of the date of filing of this application. I understand that any incorrect information on this application may result in a recession of any tax abatements which I may receive. I understand that I must file a correctly completed CF-1 (Compliance With Statement of Benefits Form) with BOTH the City of Fort Wayne Department of Economic Development, AND the County Auditor within 60 days of the end of each year in which I receive deduction. Failure to file the CF-1 with either agency may result in a recision of any tax abatement occurring as a result of this application.

SLATER STEELS CORPORATION
FORT WAYNE SPECIALTY ALLOYS DIVISION

By: _____

Signature of Applicant

5-14-96

Date

Gary L. Naber

Typed Name and Title of Applicant
Vice President, Finance

ATTACHMENTS:

- A - Legal Description
- B - Site Plan
- C - List of manufacturing equipment
- D - Project Description
- E - Statement of Benefits (Form SB-1)

COUNSEL FOR APPLICANT:

Jon A. Bomberger
Baker & Daniels
111 E. Wayne Street
Suite 800
Fort Wayne, Indiana 46802
Tel: 219-424-8000
Fax: 219-460-1700

EXHIBIT C
LIST OF MANUFACTURING EQUIPMENT

<u>ITEMS</u>	<u>APPROXIMATE INSTALLATION DATE</u>	<u>APPROXIMATE COST</u>
Cold draw cell related equipment	1996-1997	12,200,000
Continuous cleaning line related equipment	1998-1999	16,000,000
Additional straightening equipment	1997	900,000
Additional cutting equipment	1997-1998	2,100,000
Additional turning equipment	1996-1997	1,400,000
Rounds processing linkage equipment	1998-1999	2,500,000
Grinding and chamferring equipment	1996-1997	1,200,000
Materials handling equipment	1997	2,000,000
Melting equipment	1996-2000	3,000,000
Rolling mill equipment	1996-2000	7,500,000
Cold finish equipment	1996-2000	4,000,000
General plant equipment	1996-2000	3,900,000

*SLATER STEELS CORPORATION
FORT WAYNE SPECIALTY ALLOYS DIVISION*

*ECONOMIC REVITALIZATION AREA APPLICATION
CITY OF FORT WAYNE, INDIANA*

Slater Steels Corporation, Fort Wayne Specialty Alloys Division, operates a stainless steel mini-mill at its facility located on the near Southwest side of the city of Fort Wayne, Indiana. The facility is located entirely within the Fort Wayne Urban Enterprise Zone, which has been recognized by the State of Indiana General Assembly as an area in need of economic support.

The Slater facility has been continuously involved in the manufacture of steel since 1895 when the Fort Wayne Rolling Mill was established. During the period from 1928 through 1980, the facility was owned by Joslyn Manufacturing and Supply Company. During the 'Joslyn years', there were many noteworthy accomplishments, including:

- the participation in the rolling of important strategic materials during the second world war;
- the development of the Argon Oxygen Decarburization Process, which has become the world standard in the manufacture of stainless steel, and;
- the major expansion of the facility's rolling capabilities by the installation of the Primary Mill.

Since February of 1981, the parent company of the local facility has been Slater Steel, Inc. of Toronto, Ontario. There have also been many accomplishments under Slater Steels ownership, including:

- the first stainless bar mill in North America to produce 100% of its product using the 'bottom pouring' method of ingot casting in 1984;
- the installation of the continuous bar mill in 1988;
- the installation of new heat treating facilities in 1990;
- the development and installation of Slater's proprietary 'Computer Integrated Manufacturing' system in 1992;
- ISO 9002 certification in 1995;
- the renovation and modernization of the electric arc furnace in 1995, and
- the installation of a 'round processing cell' in 1996.

At this facility, Slater produces a wide variety of sizes and shapes of stainless steel bar product, including round, angle, flat, hexagon and square finished bar product, as well as sem-finished product in the form of ingot and billet. Slater, an ISO 9002 registered manufacturer, is the second largest producer of stainless bar product in North America, and the largest supplier of stainless bar product to the independent steel service center industry. Slater employs approximately 665 employees, 500 of whom are members of the United Steelworkers of America, Local 14,

*SLATER STEELS CORPORATION
FORT WAYNE SPECIALTY ALLOYS DIVISION*

*ECONOMIC REVITALIZATION AREA APPLICATION
CITY OF FORT WAYNE, INDIANA*

The production process for the manufacture of Slater's product line includes:

- melting and refining of scrap and alloying materials;
- casting of molten steel into ingot;
- rolling of ingot into billet or large size bar form;
- conditioning of billet or bar (i.e. straightening, turning, grinding)
- rolling of billet into small size bar;
- heat treatment;
- cold finishing of small bar product (i.e. straightening, turning, grinding, cold drawing)
- final product inspection
- warehousing and shipping

Slater has invested substantial capital over the past decade in its melting and rolling facilities. Slater has also invested heavily in the training of our employees, the development of information systems and the development of quality systems (ISO certified) in order to continuously improve the operation and customer service, as well as maintain our competitive position.

Slater competes in a market which is characterized by a high level of imports from foreign producers. These foreign producers typically use more modern, cost effective production technologies in the finishing processes than those which exist at the Slater Steels Corporation facility. Slater must now begin a program of modernization to replace technologically obsolete equipment, especially in the billet conditioning and cold finishing processes, in order to maintain its position as a viable producer in this global stainless bar market. This modernization program will, subject to the fluctuations in market conditions, protect the existing employment as well as provide for additional job opportunities in the future.

Slater has developed a capital improvement plan which will:

- allow the expansion of our participation in certain strategic product lines;
- increase the capacity of the facility;
- enable improvements to product quality;
- improve the productivity of our employees; and
- continuously maintain and enhance the existing facilities.

This capital improvement plan will take approximately five years (i.e. from 1996 to 2000) to complete. The entire program (see attached Capital Improvement Plan; 1996 - 2000 for details) is expected to require a capital investment of approximately \$65 million. This investment includes amounts for both new buildings and new machinery and equipment.

SLATER STEELS CORPORATION
FORT WAYNE SPECIALTY ALLOYS DIVISION

CAPITAL IMPROVEMENT PLAN; 1996 - 2000

STRATEGIC PROJECTS:

Project:	Timing	Amount
Cold Draw Cell	1996 - 1997	\$16,500,000
Continuous Cleaning Lin	1998 - 1999	\$20,000,000

CAPACITY ENHANCEMENT / PRODUCTIVITY IMPROVMENT / QUALITY
IMPROVEMENT PROJECTS:

Project:	Timing	Amount
Additional Straightening Equipment - Large Rounds	1997	\$900,000
Additional Cutting Equipment - Large Rounds	1997 - 1998	\$2,100,000
Additional Turning Equipment - Large Rounds	1996 - 1997	\$1,400,000
Rounds Processing Linkage	1998 - 1999	\$2,500,000
Additional Grinding and Chamferring Equipment - Hex	1996 - 1997	\$1,200,000
Material Handling Equipment- Plantwide	1997	\$2,000,000

MAINTENANCE & ENHANCEMENT PROJECTS

Project:	Timing	Amount
Melting	1996 - 2000	\$3,000,000
Rolling Mills	1996 - 2000	\$7,500,000
Cold Finishing	1996 - 2000	\$4,000,000
General Plant	1996 - 2000	\$3,900,000



MEMORANDUM

TO: Common Council Members

FROM: Staci Walter
Economic Development Specialist, Department of Economic Development

DATE: May 22, 1996

SUBJECT: Real and Personal Property Tax Abatement Application dated May 15, 1996 for Slater Steels Corporation
Address: 2400 Taylor Street, Fort Wayne, IN 46802

Background

Description of Product or Service Provided by Company: Slater Steels Corporation operates a stainless steel mini-mill at the project site which produces stainless steel in a wide variety of grades, sizes and shapes, including round angle, flat, hexagon and square finished bar products, as well as semi-finished products in the form of ingot and billet.

Description of Project: New structures will be constructed to house a new "cold draw cell" facility and a new "continuous cleaning line", as well as expansion or refurbishing of other buildings to accommodate additional throughput and to better service existing operations. There will be an overall modernization of manufacturing equipment.

Total Project Cost:	\$65,000,000	Number of Full Time Jobs Created:	0
Councilmanic District:	4	Number of Part Time Jobs Created:	0
Existing Zoning of Site:	M3	Average Annual Wage of Jobs Created:	0
		Number of Full Time Jobs Retained:	665
		Number of Part Time Jobs Retained:	0
		Average Annual Wage of Jobs Retained:	\$57,132

Project is Located Within a:

Designated Downtown Area:	Yes__ No_x	Redevelopment Area:	Yes__ No_x
Urban Enterprise Area:	Yes_x No__	Platted Industrial Park:	Yes__ No_x

Effect of Passage of Tax Abatement

Will allow for the modernization of project site and equipment thus protecting existing employment and fostering an environment within which future employment growth may be obtained.

Effect of Non-Passage of Tax Abatement

Modernization of site and equipment may not occur creating a loss of tax revenue and jobs.

Staff Recommendation

Per the established policy of the Department of Economic Development, the following recommendations are made:

1. Designation as an "Economic Revitalization Area" should be granted.
2. Designation should be limited to a term of five years.
3. The period of deduction for real estate should be limited to ten years.
4. The period of deduction for personal property should be five years.

Signed: Staci Walter Title Economic Dev. Specialist

Comments

DIRECTOR: Elizabeth A. Neu
Elizabeth A. Neu

Admn. Appr. _____

DIGEST SHEET

TITLE OF ORDINANCE Declaratory Resolution

DEPARTMENT REQUESTING ORDINANCE Department of Economic Development

SYNOPSIS OF ORDINANCE Slater Steels Corporation is requesting the approval of an Economic Development Revitalization Area for real estate improvements in the amount of \$8,300,000 and machinery improvements in the amount of \$56,700,000. The company plans an overall modernization program which will improve the industrial character, and the age and relative obsolescence of the current facility located upon the project site. New structures will be constructed to house a new cold draw cell facility and a new continuous cleaning line. The company also seeks to improve and modernize the manufacturing equipment to keep its competitive edge.

EFFECT OF PASSAGE Will allow for the modernization of project site and equipment thus protecting existing employment and fostering an environment within which future employment growth may be obtained.

EFFECT OF NON-PASSAGE Modernization of site and equipment may not occur creating a loss of tax revenue and jobs.

MONEY INVOLVED (DIRECT COSTS, EXPENDITURES, SAVINGS) Anticipated first year tax savings for Slater Steels is \$257,372. Projected additional tax revenues during a ten year deduction period are \$1,299,044.

ASSIGNED TO COMMITTEE (PRESIDENT) Thomas Henry

BILL NO. R-96-05-12

REPORT OF THE COMMITTEE ON
FINANCE
THOMAS C. HENRY - JOHN N. CRAWFORD - CO-CHAIR
ALL COUNCIL MEMBERS

WE, YOUR COMMITTEE ON FINANCE TO WHOM WAS

REFERRED AN XXXXXXXXXXXXX (RESOLUTION) designating "Economic
Revitalization Area" 2400 Taylor Street (Slater Steels Corporation)

HAVE HAD SAID XXXXXXXXXXXXX (RESOLUTION) UNDER CONSIDERATION
AND BEG LEAVE TO REPORT BACK TO THE COMMON COUNCIL THAT SAID
XXXXXXXXXXXXX (RESOLUTION)

<u>DO PASS</u>	<u>DO NOT PASS</u>	<u>ABSTAIN</u>	<u>NO REC</u>
<i>all Council members</i>			

DATED: *5-28-96*

Sandra E. Kennedy
City Clerk